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## TOWN OF JEROME, ARIZONA

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### MINUTES

**SPECIAL MEETING OF THE JEROME TOWN COUNCIL**  
**JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS**  
**TUESDAY, SEPTEMBER 23, 2014 AT 6:30 P.M.**

<b>ITEM #1:</b>	<b>CALL TO ORDER/ROLL CALL</b>  Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.  <i>Mayor Check called the meeting to order at 6:35 p.m.</i>  <i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Nikki Check, Vice Mayor Lew Currier and Councilmembers Randall Hunt and Anne Bassett.</i>  <i>Other staff in attendance at roll call included Deputy Town Clerk Rosemarie Shemaitis.</i>
<b>ITEM #2:</b>	<b>VERDE VALLEY ADVISORY COMMITTEE (VVAC)</b>  Council may nominate two (2) candidates into Yavapai County Superintendent of Schools Tim Carter's selection process for appointment to the Verde Valley Advisory Committee of the Yavapai College District Governing Board.  <i>Ms. Gallagher noted that there were no volunteers for this committee and confirmed that she had enough direction from the previous meeting, which was, if there were no volunteers, we would still communicate our support of the committee.</i>
<b>ITEM #3:</b> <b>6:35 pm</b>	<b>TIME LIMIT SIGNAGE FOR LOADING ZONES</b>  Council will discuss the Town Code regarding time limits for loading and unloading, and the installation of time limit signage at our loading zones, and may direct staff in that regard.  <i>Mayor Check commented that this is the second time this has come before Council and Ms. Gallagher had prepared a great report regarding this topic.</i>  <i>Ms. Gallagher's report included a recommendation (from her and Chief Muma) that Council consider changing the Code to include language similar to that of Peoria, where enforcement would be triggered not by the number of minutes a truck has been parked (which may be difficult to determine), but by whether or not they are actively loading or unloading. In that way, we would be allowing sufficient time for that process while not allowing trucks to remain parked in the loading zone for any other purpose, regardless of the time spent there.</i>  <i>It was noted that, in addition to the three loading zones mentioned in Ms. Gallagher's report (across from the Haunted Hamburger, in front of the Post Office, and near the Turquoise Spider), there is also a yellow-painted loading zone in front of the Jerome Artist's Cooperative Gallery (Co-op). Councilmember Bassett commented that some of the artists at the Co-op will park there to unload but then leave their vehicles there for several hours.</i>  <i>Councilmember Hunt said that there is also a loading zone at the corner of Hull and Jerome, and trucks load and unload in front of Vaqueros and The Art Park.</i>  <i>Mayor Check said that the information provided by Ms. Gallagher covers two issues, one of which is idling times. This could apply to any on-street parking, whether or not in a loading zone.</i>  <i>Ms. Bassett said that she found it interesting, as noted in the information provided, that in the more population-dense areas in the east, the idling time allowed is less than what is allowed out west. She</i>



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**Jerome Town Hall Located at 600 Clark Street, Jerome Civic Center**

said that the spewing of diesel fumes could be reduced by requiring vehicles to turn off their motors while allowing the cooler motors to remain on. She said that, in spite of staff's recommendation, she would like to see a time limit. It was discussed that a time limit of one hour may be easier for our officers to enforce than the existing limit of 20 minutes.

Vice Mayor Currier said that, when Council was dealing with vacation rentals, they were worried about commercial encroachment into the residential zones. Now, he said, we are trying to put residential values on the commercial zone. He said that he doesn't think Council should do anything about the parking in the commercial zone -- it is okay whether it takes ten minutes to unload or an hour. Regarding the fumes, he said, if it is in the commercial zone, he doesn't see how it affects the residential zone. "I think that we should just forget the whole issue," he said.

Councilmember Bassett addressed Vice Mayor Currier and said that his argument would preclude the Town from having a noise ordinance as well. She noted that the noise and fumes are not a problem in the Gulch, but it does affect some neighborhoods.

Doug Freund, a Jerome resident, commented that vendors in the Art Park are hampered in their commercial activities by the trucks parked in front of them. He said that [under the proposed ordinance] the police could act upon that immediately if the vehicle is unattended.

Mayor Check asked Ms. Gallagher about Chief Muma's feelings about the proposed ordinance. Ms. Gallagher said that he told her that he would enforce whatever Council would like; however, it would be difficult to enforce the 20 minute time limit because it would be hard to determine how long a vehicle had been parked unless directly observed by the officer. He has not enforced the time limits thus far because there is no signage in place for that.

Ms. Gallagher said that she had suggested to Chief Muma, and he agreed, that we look at Peoria's language, which would base enforcement on activity... whether the vehicle was being actively loaded or unloaded... rather than the length of time it had been parked. In that way, an officer could see at a glance if there was a violation, rather than have to come back 20 minutes later. Mayor Check asked if that would also require added signage. Ms. Gallagher responded that, right now, our signs say "loading and unloading only," and she believes that would be sufficient, along with stronger language in our Code. "That would be a plus to the Town," the Mayor said. "There would be no additional cost and no additional involvement with ADOT; they already said they would support us on this."

Councilmember Bassett said that she would still like to establish a limit of one hour. If someone at Art Park calls the police because a truck has been idling in front of them, there will be a record that the police can use to determine how long it has been there. She would also like to require that vehicles turn off their engines. Mayor Check noted that the danger with a one hour limit is that it would require signage to that effect, which would create more problems than it would solve.

Ms. Gallagher opined that, if Council wishes to restrict idling, that could be done as a general restriction, town-wide, regardless of whether one was parked in a loading zone or not. Mayor Check said that would be smart because we do have street loading, and asked if that would require signage. Ms. Gallagher said that she didn't know, but if so, perhaps it could be a sign similar to the sign regarding noise enforcement, which is placed where entering town. She added that there would need to be certain exceptions to the anti-idling regulations, similar to the anti-idling restrictions in other places, as detailed in the handout she provided. Ms. Gallagher then added that, in thinking about this, it may be difficult to enforce a time limit for idling for the same reasons it is hard to enforce the time limit for loading and unloading.

Discussion continued on this topic for some time, with Vice Mayor Currier expressing that he would prefer not to take action on this, Mayor Check wanting to move forward with clarification to the Town Code to require active loading or unloading in loading zones as well as general idling restrictions, Councilmember Bassett wanting "some relief on this issue," and Councilmember Hunt agreeing that loading zone enforcement should be triggered by whether a vehicle is actively loading or unloading, rather than attempting to enforce a time limit. He would also endorse having the engines shut off -- he said that he has seen trucks left idling for at least an hour in some places.

Ms. Shemaitis commented that she has seen all kinds of vehicles leaving their engines running to

keep it cool inside. Ms. Gallagher responded that outside temperature is one of the exceptions generally included in anti-idling restrictions -- If it is over or under certain temperatures, drivers are allowed to keep their vehicles running.

Mayor Check said that she thinks that 30 to 60 minutes would be a reasonable limit for idling time, to keep the battery charged and for cooling and heating. Ms. Gallagher said that it may be difficult to enforce that unless the officer is on hand when they start idling and then perceives them idling constantly. Mayor Check added that it would be perfectly reasonable for an officer to approach and advise them of our policy if it is noted that someone has been idling for a long time. She said that it would also help to avoid complaints.

Vice Mayor Currier asked to return to the topic of enforcement in the commercial zone. Those in the commercial zone are there to conduct commerce, he said, and if shipping, loading and unloading is part of commerce, then they should decide how to run their business, not Council.

Mayor Check said that this goes beyond loading and unloading, and she agrees that it shouldn't have a time limit on it. If vehicles are parked and idling and putting out exhaust, she said, it is going to affect business wherever it is. People aren't going to want to stand on the sidewalk in front of it.

Ms. Shemaitis commented that the biggest offenders on Main Street are those riding motorcycles. They back into the space and leave the engine running while constantly revving it up. The noise and exhaust go right into the front doors of the businesses there. Mayor Check said that she had recently heard a complaint about that from a business, so it is affecting them negatively.

Councilmember Hunt noted that he would have to leave shortly.

Mayor Check said that it would be worthwhile to have a general time limit for idling, and 30 minutes seems right to her. She said that the loading and unloading zones could be exempt from the time limit because they will be subject to the active/inactive loading provision.

Ms. Gallagher suggested that they treat the two issues separately, decide about the loading zones and then bring back the issue of idling at another meeting, as that was not specifically agendaized here. The Mayor disagreed, and said that the spirit of the agenda item, and the documentation provided, included idling. She said that she agrees with staff's recommendation of enforcing loading zones based on active loading and unloading, without a time limit. In the street and other areas, she said, idling could be subject to a 30-minute time limit.

Vice Mayor Currier said that he supports the active loading/unloading provision, but not the idling restriction, as it would conceivably allow a truck parked in a loading zone to idle for an hour, while a truck parked nearby could only idle for 30 minutes. That seems arbitrary to him, he said.

As this agenda item was listed for direction rather than action, Mayor Check directed Ms. Gallagher to create a draft of an ordinance to amend our Code regarding loading zones using Peoria's language as a guide. She said that she is also interested in developing an idling policy.

Ms. Bassett said that our police can already enforce against someone parked in a loading zone without creating an ordinance that says they have to be actively loading or unloading. Ms. Gallagher said that Chief Muma liked that language because he felt it was more specific and more enforceable.

Councilmember Hunt left the meeting at 7:06 p.m.

There was brief discussion regarding trucks that double park in the street in order to load or unload, and whether or not that was legal.

Mayor Check asked Ms. Gallagher to create an idling policy utilizing some of the exemptions listed in the examples provided in her report.

Ms. Bassett commented that the current parking restriction of only five minutes for handicapped-designated vehicles in loading zones is too stringent. She feels that they should be allowed more time than that.

**ITEM #4:**  
**7:09 pm**

**POLICY FOR RENTAL OF TOWN PROPERTIES**

Council will review and may approve a policy for rental of Town properties.

*Ms. Gallagher provided a draft policy, along with certain changes suggested by Jerome resident Doug Freund. She explained that she put this policy together and then ran it past staff for their input. Their suggestions were incorporated, and the result is a group effort. It represents a combination of the processes we have been following and what we have learned along the way. The draft policy read as follows:*

<b>Upon vacancy:</b>	<ul style="list-style-type: none"> <li>Inspect property and assess damage (aside from normal wear and tear), if any, to be assessed to prior tenant. Document with photographs.</li> <li>Process any refund due to tenant.</li> </ul>
<b>Following vacancy:</b>	<ul style="list-style-type: none"> <li>Work with Fire and Building Inspectors to ensure that property remains up to Code.</li> <li>Clean and make any repairs needed.</li> <li>Research and determine fair market value of rental.                             <ul style="list-style-type: none"> <li>Obtain information regarding comparable rentals.</li> <li>Council to set rental price, if different from prior rental price.</li> </ul> </li> <li>Advertise space for lease, with deadline date for applying.                             <ul style="list-style-type: none"> <li>Post at posting locations, on community board at Post Office, and onsite.</li> <li>Advertise on Town website and Facebook page.</li> <li>Applicant must use application form provided by the Town.</li> <li>If no response by deadline date, Manager may opt to extend deadline or place listing with realtor.</li> </ul> </li> </ul>
<b>Upon receipt of application(s) for lease:</b>	<ul style="list-style-type: none"> <li>If only one application received:                             <ul style="list-style-type: none"> <li>Staff to review application and check references.</li> <li>Zoning Administrator to review for compliance with Zoning Ordinance.</li> <li>If all is in order, Manager to sign lease agreement for term of between one and three years, at discretion of manager and tenant.</li> </ul> </li> <li>If multiple applications received:                             <ul style="list-style-type: none"> <li>Staff to review applications and check references. Any applicant with poor references will be disqualified.</li> <li>Committee consisting of Manager, Finance Director and Zoning Administrator, with input from staff as they deem necessary, to select tenant from qualified applicants, with preference given to local businesspeople (Jerome/Clarkdale/Cottonwood), businesses that would not adversely impact the space, and businesses that would reflect the historic, creative and artistic aspects of Jerome.</li> <li>Committee's selection to be provided in memo to Council members.                                     <ul style="list-style-type: none"> <li>If within the following seven days, no member requests discussion at a public meeting, Manager to sign lease agreement for term of between one and three years, at discretion of Manager and tenant.</li> <li>If any member requests discussion at public meeting, item to be placed on next meeting agenda for Council discussion and decision.</li> </ul> </li> </ul> </li> </ul>
<b>Prior to occupancy by tenant:</b>	<ul style="list-style-type: none"> <li>Immediately prior to occupancy, photograph space as evidence of its condition at inception of lease, to be acknowledged in writing by both Manager and tenant, and file with lease documents.</li> <li>Collect first and last month's rent and security deposit at signing of lease.</li> </ul>

*Councilmember Bassett said that the only change she would like to make is that, even if there is only one application to rent a property, she would still like to have it run by Council. Her concern is that she doesn't know if they would be able to trust decisions by future staff. Ms. Gallagher noted that Council could revisit this policy if/when staff changed.*

*Vice Mayor Currier said that he is "bugged by the fair market value problem." He said that he understands what the attorney is saying – we can't give away property – but "fair market value" is a fairly vague term. The Town of Jerome, he said, has unusual goals regarding its rentals. "We are not in the rental business to make money," he said, "We are in the rental business to make the best use of the properties we have. In many cases in the past, it has been our best use to encourage certain activities and encourage people to get into the white elephants we have. Most or all of the Town's*

properties are white elephants." Mr. Currier went on to say that it may be in the Town's best interest to rent at below market value, in order to encourage people to move into the problem buildings we have and to encourage those who can't afford the other spaces for their businesses, for a lively and healthy commercial district.

Mayor Check said that she thinks there are good legal reasons why the Town must charge fair market value, and the Town cannot undercut the rental market because then we are creating competition for those who are in business.

Councilmember Bassett stated that higher rents are not sustainable. She said that she has seen business people come to town, spend their entire bankroll and then leave broke because so many of the rents in Jerome have gotten to where they are not sustainable. Ms. Bassett said that she does not want the Town to be required to charge unsustainable rental rates just because other places are getting that. She added that it doesn't work out for the owner either, when the business leaves and their property is empty for months until a new business comes in.

Mayor Check said that all of that would be taken into account by Council in determining fair market value.

Ms. Shemaitis commented that she has been working a lot with the Town's rental properties – here in this building and at 301 Main Street and 500 Main Street. She said that she has already had three inquiries regarding renting the location where the Kids Art Workshop used to be. They have all seen it and it is a mess, so while we might look at it as a white elephant, others are looking at the potential there. She said that, at 500 Main Street, the new tenants didn't have any complaints about the amount of the rent, and, in fact, they are ecstatic to be moving to that location. To them, the bad location was at the UVX Apartments. Ms. Shemaitis said, regarding the properties the Town has at 500 Main Street, 301 Main Street and the Co-op, that there is a lot of traffic that goes through those locations. They may have been white elephants at one time, she said, but, for example, the Co-op has turned their location into a very successful, "go-to" place. She thinks that the Town has treasures, not "white elephants."

Mr. Currier noted that the reason that the Co-op was able to invest in the building was because the rent was affordable.

Ms. Shemaitis agreed, and noted that Jerome now receives 1.3 to 1.4 million visitors per year, which is probably more than when the Co-op first opened. She said that things have changed and the times have changed. Jerome is a gem, she said, that many of the people here helped to create.

Mayor Check pointed out that Council cannot give away public property or public money – that is why the "fair market value" requirement is in there. To charge below market value, she said, is essentially subsidizing a private business with public funds.

Vice Mayor Currier said that he understands what the Mayor is saying, but he thinks it is Council's goal to subsidize certain developments. Mayor Check disagreed. Mr. Currier noted that this is done nationwide by cutting rates for entire areas. He added that we have three empty studios in the Civic Center building, and there are empty storefronts on Main Street.

Ms. Shemaitis said, regarding the Civic Center (600 Clark Street), the problem is the location. The Town is fortunate with its other properties at 500 Main Street and 301 Main Street – they are prime properties in great locations.

Mayor Check noted that Council had already addressed the 500 Main Street property – they raised the rate to fair market value and had agreed that, if it stayed empty, it would be clear that that amount was not supported by the market. She said that, if a property is not renting, then Council has every legal right to lower the rent. Mr. Currier agreed but said that he has come to the conclusion that "Jerome has hit its peak." The action has changed to Old Town Cottonwood, he said, because Cottonwood invested heavily in that area. One way that we can invest in our area, he said, is by lowering the rents.

Ms. Gallagher commented that, while she can't speak for the attorney, she believes that the reason he advised that the Town must rent its properties at market value is because we are legally required to do that. These are public funds, and the public is supposed to get the highest return possible. She

said that she understands Mr. Currier's point, and we could speak with the attorney to find out if there is a way that we could demonstrate that the value to the community in subsidizing a business or businesses is at least as great as the rent we would otherwise receive. It is not Council's call as much as it is a legal call, she said, but if it is Council's wish, perhaps we can make a good legal argument for that.

Mayor Check said that Council would need to have a policy to lean on in order to have that type of incentive, or it could be seen to be very subjective. Ms. Gallagher agreed, and said that there would have to be a viable benefit for the public in doing that, and she thinks that we should be able to define that.

Vice Mayor Currier said that that is what he is suggesting – that Council set a policy to keep the rent as low as possible. It would apply to all Town properties, he said, in order to encourage start-up businesses and young entrepreneurs to develop in Jerome. It may be a way to reinvigorate Jerome.

Mayor Check asked Ms. Gallagher to pass that on to Town Attorney Bill Sims.

Councilmember Bassett said that what Council needs to do is to take sustainability – the ability of the tenant to make the rent at that location – and prolonged vacancies into consideration when they calculate fair market value. That should be legal, she said.

Mayor Check noted that, by lowering rents below market value, the Town could be facilitating poor business practices, because business owners would have to have a strong business model to make it in business anywhere, no matter what the rent is. She opined that Council had talked enough about this and the question should now go to the attorney to see if he has any creative ideas for supporting what they are talking about.

Vice Mayor Currier said that he has no problem with the draft rental policy as it is written. He thinks it is adequate and fairly workable. He added that he still thinks that Council needs to explore the fair market value question, but that does not affect the usefulness of the draft rental policy.

Councilmember Bassett asked if Council should include that, even if there is only one applicant, it would be presented to Council. The Mayor and Vice Mayor discussed and agreed that the policy should be approved as written, without that inclusion.

**Motion:** Vice Mayor Currier made a motion to **accept this draft rental policy**. It was seconded by Mayor Check.

Mr. Freund spoke to say that he liked the draft policy as prepared, but every time a property comes up for rent, staff would have to research the market value and then Council would have to set a rental price, which would be quite time consuming. He suggested that, instead, Council could, possibly once every year, consider the notion of fair market value in Jerome and set rental prices per square foot and possibly for the specific locations. Then, if vacancies occur during the year, staff would already have that in place. It might streamline the process.

Mayor Check responded that she appreciates his input, but, Council did that and it took several meetings to come up with the rental prices. They have to discuss every aspect of every rental property – they even took a field trip. The amount of time it took was excessive, but they did make good adjustments and it had been many years before that since adjustments had been made. The Mayor said that Council noted the differences between all the properties and was able to validate the differences. She thinks it would be too much to do a reassessment every year.

Ms. Gallagher said that she understands what Mr. Freund is saying, but doing that annually might be cumbersome, and things aren't likely to change that quickly. She suggested that perhaps it could be done every five years. Mayor Check suggested that maybe every other Council could address this.

Councilmember Bassett noted that the turnover rate of property rentals during the past year has been unusually high. Reviewing all the properties every year would be a huge increase in staff time, she said, as opposed to addressing it as each property comes up. Instead of reducing the workload, it would actually increase it, unless it was done just every four or five

	<p>years.</p> <p>Mr. Currier said that it would probably be useful for every Council to inspect every Town property. It would be time consuming but it is a good idea; however, he doesn't think Council needs to make an ordinance about it.</p> <p>Mr. Freund clarified that he wasn't envisioning a full survey of everything, but a summary of the properties – it could simply be staff urging that the rates be maintained or that there be an increase of 1.5%, or something like that. It could provide a basis for them to come up with rental prices, rather than having to go through the process every time.</p> <p>Mayor Check said that it probably wouldn't need to come before Council that often because the properties are usually rented for years at a time. She agreed with Ms. Bassett that the recent turnovers have been out of the ordinary. The Mayor said that she would feel more comfortable addressing rental prices as the need arises, and noted that the only time that Council could change pricing is when a lease expires.</p> <p>Mayor Check thanked everyone for their input, and called the question. It was <b>approved by all with 3 ayes, 0 nays and 0 abstentions.</b></p> <p>Ms. Gallagher reminded all that the annual Fire Department picnic and potluck would be held on the upcoming Thursday.</p>
<b>ITEM #5:</b>	<p><b>ADJOURNMENT</b></p> <p>Upon motion by Councilmember Bassett seconded by Vice Mayor Currier and unanimously approved, the meeting was adjourned at 7:32 p.m.</p>

Edited by Town Manager/Clerk Candace Gallagher from minutes taken and transcribed by Deputy Town Clerk Rosemarie Shemaitis.

APPROVE:

ATTEST:

\_\_\_\_\_  
Nikki Check, Mayor

\_\_\_\_\_  
Candace B. Gallagher, CMC, Town Manager/Clerk

Date: \_\_\_\_\_